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19 December 1962

TO : Chief, Technical Accounting Staff
25X1A9a FROM : [REDACTED]
SUBJECT: Review of Operations in the Finance Division's Payroll
and Travel Branch

1. In accordance with your verbal instructions, I have made a brief review of the operations in the Finance Division's Payroll and Travel Branch for the purpose of determining the condition of the operations, and the extent of the backlog and causes therefor.

2. Due to the time (3 days) available for this review a detailed analysis of the Branch was not made. However, I "talked through" the procedure with the Acting Chief of the Branch and with many of its employees. I also took an inventory of the backlogs of work in the Branch and after counseling with the Branch Chief and his employees have estimated the length of time required to eliminate the backlogs. The estimates contained herein are based on the assumption that the present employees would stop processing current work and devote full time to eliminating the backlogs. Therefore, the estimates represent the minimum time required to eliminate the backlogs.

The Branch now staffed is unable to keep abreast of the current work. The Branch has a T/O of [REDACTED] employees, broken down as follows:

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T/O	On Board	Position	GS Grade
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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Pay Roll Section

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As you will note from the foregoing schedule, the Branch is staffed at 50% of its T/O. You will also note that the more critical deficiencies in the staffing exist in the Chiefs' positions and in the Grade 4 and 5 positions. Many of the essential clerical operations which normally would be performed by clerks and clerk-typists, are of necessity being performed by the payroll clerks. For example, the payroll clerks are required to stuff checks in envelopes for mailing, to pouch, payroll change notices, and to perform numerous other clerical operations.

3. The Budget Bureau on the basis of surveys of payroll procedures and the use of work measurement systems in a few agencies, as well as the Bureau's experience in the review of payroll staffing ratios in agency budget estimates for prior years, has concluded that the agencies whose payroll operations are subject to a minimum of variables may have approximately one payroll employee to each [redacted] employees on the payroll. That staffing ratio is not intended to be either a minimum or maximum; it may be raised or lowered depending upon a number of variables. Due to the nature of CIA operations (security, high percentage of overtime, allowances, etc.) the CIA and the Budget Bureau have agreed upon a payroll staffing ratio for this Agency of one payroll employee to each [redacted] employees.

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At present each Finance Division payroll employee is handling the payroll operations for [redacted] employees and is not keeping abreast of the work.

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4. In "talking through" the payroll procedure, I received the impression that the payroll procedure is basically sound. There seems to be a great deal of paper handling but time did not permit an analysis to determine just how much of the paper handling is unnecessary. The fact is that the Branch is grossly understaffed. It is my belief that the Branch would be able to keep abreast of its daily operations if it had on hand all the employees called for by its T/O. However, it likely would not be able to make much progress toward eliminating the backlogs of work which are explained in some detail below, without the temporary assignment of additional personnel over and above the number on the T/O.

PAYROLL SECTION

a. Filing Backlog - There are about 40 lineal feet of papers which have not been filed. Those papers consist of Duty Status Reports, Payroll Change Slips, Leave Records, individual pay cards, cables, correspondence, residence and dependency reports, etc. It is estimated that 80 man days would be required to file this material. The operations of the Branch are greatly handicapped because this material is not in file. Handicaps are experienced in clearing individuals who have been separated; recomputing pay because of retroactive pay adjustments occasioned by promotions, periodic step increases, changes in allowances, etc; answering requests from employees who have returned from overseas stations and who inquire regarding the status of their pay and leave accounts; answering requests from operating divisions as to the leave balances of employees who have requested to return to the States on home leave; answering and initiating correspondence, reviewing allowance claims, disposition of W-2s for separated employees, and other inquiries relating to employees' pay, leave or retirement records.

The Payroll Office has a file folder for each employee on the payroll. This folder contains the personnel actions, cables, correspondence, etc., relating to each employee. There are approximately 130 lineal feet of such files. Much of the material in these files are not secured under file fasteners. Each file contains approximately one-quarter inch to one inch

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of loose material which should be sorted chronologically and secured in the files. It is estimated that the task of securing such material together with the 40 lineal feet of material mentioned above will require approximately 150 man days.

- b. Retirement Records - The retirement clerks have on hand 135 applications for refund of retirement contributions. I could not obtain an estimate of the length of time required to dispose of this backlog because the files must be up to date before the applications can be processed expeditiously. Also, there were 588 Personnel Actions which had not been posted to employees' retirement records (Form 280G). Approximately 3 man days will be required to post these records.
- c. Leave Records (for Stateside employees) - There are approximately $\frac{7}{8}$ lineal feet of material to be filed and/or posted to the leave records. Approximately 4 feet of this material consists of material to be filed only, and $3\frac{1}{2}$ feet of the material needs to be posted or verified and filed. In addition, leave categories have not been received from the Personnel Division for all employees. An employee's tenure with the government determines his leave category; i.e., the number of days of leave to which the employee is entitled each year. The leave categories which have been received have been posted. The fact that all the leave categories have not been received and the fact that the leave records are not up to date handicap the Branch in clearing separated employees, in determining lump sum payments, in determining the year-end carry-over for each employee, and in numerous other operations. It is estimated that 20 man days will be required to eliminate this backlog.
- d. Overseas Payroll - Payroll clerks who handle overseas payroll maintain all records relating to such employees. The backlog on these desks consists of approximately 1500 duty status reports which have not been posted to leave records, 800 pieces of miscellaneous documents and correspondence which have not been handled, and 500 payroll change notices which have not been pouches to overseas stations. It is estimated that approximately 80 man days would be required to eliminate this backlog. As in the case of Stateside employees, leave categories have not been received in all cases, which creates the problems mentioned above.

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- e. W-2's For Terminated Employees - There are approximately 3000 W-2s for separated employees on hand. These must be mailed or forwarded to the former employees. They have not been mailed or forwarded because the employees' addresses are not known. This backlog cannot be eliminated expeditiously until the filing backlog has been eliminated. The files will then contain the address or office to which the W-2 should be forwarded.

In addition, immediately after 31 December W-2s for 1952 will be received for all employees on Finance Division payrolls, which will put an additional burden on the Payroll Section.

- f. Overtime Claims - It is the policy of the Payroll Section to process promotions, periodic step increases, changes in allowances and differentials, and changes in the amounts paid at stations before processing overtime payments. The Section has been reasonably successful in processing promotions, periodic step increases, etc., on a current basis. There is a backlog in processing overtime claims. Overtime claims are processed as time permits. There are approximately 4000 overtime claims on hand and it is estimated that 80 man days will be required to process these claims.

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- h. Documentation - Many of the Payroll Section's operations are thwarted because required documents have not been received. Typical examples are: requests for refund of Civil Service Retirement contributions where the required separation notice is not received, irregular or late receipt of advice of an assignment of pseudonym, notification of changes in pouching procedures, leave transcripts which are not promptly received from employee's former government agency, failure to get notice of arrival and departure of employees and dependents, failure to receive leave categories, etc.

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TRAVEL SECTION

1. Travel Claims - As of 10 December 1952 the backlog in this Section was 1,643 travel claims, as follows:

Foreign	735 (Oldest vouchers dated August 1952)
Domestic	828 (Oldest vouchers dated October 1952)
Per Diem	67
Transportation	15
Miscellaneous	<u>-0-</u>
Total	1,643

It is estimated that 240 man days will be required to process the above travel claims. About 400 travel claims are received weekly of which approximately 350 are processed; the remaining 50 are added to the backlog.

The basic procedures in the Travel Section were likewise fundamentally sound. The procedure for logging-in and logging-out travel claims and the procedure for associating the travel orders with the travel claims are somewhat burdensome. I discussed those phases of the procedures with the Acting Chief of the Travel Section, the Acting Chief of the Payroll and Travel Branch, and the Deputy Chief of the Finance Division and learned that those operations are already under study with the objective of revising them.

5. The backlogs in the Branch are increased when employees are absent on either sick or annual leave because their work for the most part remains untouched, because the personnel on duty cannot absorb all the work of the absentees.

6. There is set forth below a recapitulation of the backlog in work performance described in the foregoing paragraphs.

Summary of Backlog:

	<u>Man Days</u>
Filing	230
Stateside Leave Records	20
Overseas Payroll	80
Overtime	80
Travel Section	<u>240</u>
Total Man Days	<u>650</u>

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In addition to the above, backlogs of undetermined amounts exist in connection with retirement records as discussed in paragraph 4 b, the processing of tax withholding notices (W-2's), as discussed in paragraph 4 e, and correspondence to be initiated and answered (paragraph 4 a.).

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